GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1877
ANSWERED ON:03.08.2001
DISINVESTMENT OF PSUS
SRIKANTA DATTA NARASIMHARAJA WADIYAR

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have reviewed the functioning of major Central Public Sector Undertakings (PSUs) in the country ;

(b) whether some of those PSUs proposed to be privatized as decided after the review of their performances;

(c) if so, the details thereof; and

(d) the steps taken by the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) The functioning of Public Sector Undertakings (PSUs), which are registered Companies, is governed by the provisions of the Companies Act, 1956. Government, as a shareholder of these Companies also has a mechanism of reviewing the performance of these PSUs periodically through the concerned Administrative Ministry &the Department of Public Enterprises.

(b), (c) & (d) The decision to disinvest Government equity in any PSU is taken after considering various aspects, including performance of the company, in accordance with the declared policy of the Government. The process of decision-making involves large-scale inter-ministerial consultations involving, inter-alia, the Ministry controlling the PSUs administratively.